

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of:)
)
1998 Annual Access Tariff Filings) CC Docket No. 98-104

REFUND PLAN OF
THE SOUTHERN NEW ENGLAND TELEPHONE COMPANY

The Southern New England Telephone Company (SNET), pursuant to the Memorandum Opinion and Order (MO&O) released December 1, 1998 by the Federal Communications Commission (Commission), respectfully submits its Refund Plan in the above referenced matter.¹ In its *MO&O*, the Commission required SNET to revise its common line rates to reflect a non-primary line penetration ratio of not less than 7.77% for the 1997 base period.² In addition, the Commission directed SNET to disburse appropriate refunds for the period July 1, 1998 through December 31, 1998.³

This Refund Plan describes the methodology used by SNET to calculate refund amounts, as well as the manner in which these refunds will be disbursed to customers. SNET respectfully requests expeditious review and approval of this Refund Plan, as SNET anticipates issuing affected customers refunds in the form of bill credits on their April 1999 bills.

¹ *In the Matter of 1998 Annual Access Tariff Filings*, CC Docket No. 98-104, Memorandum Opinion and Order (released December 1, 1998) (*MO&O*).

² *Id.* at ¶17.

³ *Id.* at ¶21.

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I. SNET REFUND CALCULATION.

On December 17, 1998, SNET filed Transmittal No. 720. As documented in that transmittal, SNET provided a revised Tariff Review Plan (TRP) for the 1998 Annual Filing. The revised TRP contained adjusted line counts, as prescribed by the Commission, and provided the recalculation of specific Carrier Common Line (CCL) rates, including per minute of use (MOU) charges and End User Common Line (EUCL) charges for the period July 1, 1998 through December 31, 1998. In Transmittal No. 720, SNET also provided a complete summary of the revised rate calculations for each of its interim tariff filings.⁴ As documented in that Transmittal, four access rate elements were affected by the revised primary and non-primary line counts. These were: 1) the originating CCL rate; 2) the originating per minute Marketing Expense rate; 3) the Multi-line Business EUCL; and 4) the Primary Rate (PRI) ISDN EUCL.

A. End User Refunds.

SNET's proposed refund calculations are shown in three attached Workpapers. Workpaper "End User-1" displays the proposed refund for SNET's Multi-line Business EUCL. As shown, SNET billed a rate of \$8.05 per line for the July 1, 1998 to December 31, 1998 period.⁵ This represented an overcharge of \$.04 per line per month. Similarly, as shown on Workpaper "End User-2", SNET's billed PRI EUCL rate was \$.20 higher

⁴ Transmittal No. 720, Workpaper "Rates." This workpaper documented all revised rate calculations for Transmittal No. 714, effective July 29, 1998; Transmittal No. 716, effective September 1, 1998; and Transmittal No. 717, effective October 14, 1998.

⁵ All rates which became effective January 1, 1999 were calculated using the revised primary and non-primary rates and, thus, were correct as billed.

per month than the revised rate. In addition, SNET has applied interest, compounded daily at the effective Internal Revenue Service (IRS) rate.

SNET proposes to issue the end-user refunds with customers' April 1999 bills, and has included interest through March. As shown, the total refund amount per Multi-line Business line would be \$.25. The total refund amount per PRI line would be \$1.23. These refunds will apply to all Multi-line Business and PRI lines in service and billed in April 1999.

B. Carrier Refunds.

SNET's proposed refund calculations for the Carrier Common Line and Marketing Expense rates are shown on Workpaper "Carrier." This workpaper displays the difference between SNET's rates as billed and the rates as corrected in Transmittal No. 720. The refund amount provided to each carrier will be based on each carrier's actual billed Carrier Common Line and Marketing Expense usage. Again, interest will be applied at the relevant IRS rate and compounded daily. SNET also proposes to effect the carrier refunds in the April 1999 bills, and has provided illustrative interest calculations through this period.

II. CONCLUSION

SNET respectfully requests that the Commission review and approve SNET's Refund Plan, as described herein, on an expedited basis so that SNET may issue the refunds on customers' April 1999 bills.

Respectfully submitted,

THE SOUTHERN NEW ENGLAND
TELEPHONE COMPANY

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Southern New England Telephone
End User Refund Plan

Workpaper End User - 1

Multiline Business End User Refund

	Rate Charged 7/1/98 - 12/31/98	Recalculated Rate*	Monthly Rate Difference	Accumulative Monthly	Monthly Interest**	Total Refund
July	\$ 8.05	\$ 8.01	\$ 0.04	\$ -	\$ -	\$ 0.040000
August	\$ 8.05	\$ 8.01	\$ 0.04	\$ 0.040000	\$ -	\$ 0.080000
September	\$ 8.05	\$ 8.01	\$ 0.04	\$ 0.080000	\$ 0.00023	\$ 0.120234
October	\$ 8.05	\$ 8.01	\$ 0.04	\$ 0.120234	\$ 0.00049	\$ 0.160719
November	\$ 8.05	\$ 8.01	\$ 0.04	\$ 0.160719	\$ 0.00071	\$ 0.201425
December	\$ 8.05	\$ 8.01	\$ 0.04	\$ 0.201425	\$ 0.00098	\$ 0.242401
January	\$ 8.11	\$ 8.11	\$ -	\$ 0.242401	\$ 0.00122	\$ 0.243625
February	\$ 8.11	\$ 8.11	\$ -	\$ 0.243625	\$ 0.00133	\$ 0.244955
March	\$ 8.11	\$ 8.11	\$ -	\$ 0.244955	\$ 0.00148	\$ 0.246435
Totals			\$ 0.24		\$ 0.01	\$ 0.25

* Transmittal 720, TRP:SNCTAN98, CAP-1 page 6

** Interest payment based on IRS overpayment rate for July 1, 1998 - December 31, 1998 (7% compounded daily)

Southern New England Telephone
End User Refund Plan

Workpaper End User - 2

PRI End User Refund

	Rate Charged* 7/1/98 - 12/31/98	Recalculated Rate*	Monthly Rate Difference	Accumulative Monthly	Monthly Interest**	Total Refund
July	\$ 40.25	\$ 40.05	\$ 0.20	\$ -	\$ -	\$ 0.200000
August	\$ 40.25	\$ 40.05	\$ 0.20	\$ 0.200000	\$ -	\$ 0.400000
September	\$ 40.25	\$ 40.05	\$ 0.20	\$ 0.400000	\$ 0.00117	\$ 0.601170
October	\$ 40.25	\$ 40.05	\$ 0.20	\$ 0.601170	\$ 0.00243	\$ 0.803595
November	\$ 40.25	\$ 40.05	\$ 0.20	\$ 0.803595	\$ 0.00353	\$ 1.007126
December	\$ 40.25	\$ 40.05	\$ 0.20	\$ 1.007126	\$ 0.00488	\$ 1.212006
January	\$ 40.55	\$ 40.55	\$ -	\$ 1.212006	\$ 0.00612	\$ 1.218123
February	\$ 40.55	\$ 40.55	\$ -	\$ 1.218123	\$ 0.00665	\$ 1.224773
March	\$ 40.55	\$ 40.55	\$ -	\$ 1.224773	\$ 0.00740	\$ 1.232177
Totals			\$ 1.20		\$ 0.03	\$ 1.23

* PRI Rate = 5 * multiline Business Rate

** Interest payment based on IRS overpayment rate for July 1, 1998 - December 31, 1998 (7% compounded daily)

Southern New England Telephone
Carrier Refund Plan

Workpaper Carrier

Carrier Refund

	Rate Element	Rate Charged	Recalculated Rate*	Monthly Rate Difference	MOU Demand	Monthly Rate Refund	Accumulative Monthly	Monthly Interest**	Total Refund
July	CCL	0.003437	0.003318	0.000119	1,717	0.204323			
	MKT	0.000634	0.000708	-0.000074	1,717	(0.127058)	\$ 0.077265	\$ -	0.077265
August	CCL	0.003530	0.003412	0.000118	1,679	0.198122			
	MKT	0.000634	0.000708	-0.000074	1,679	(0.124246)	\$ 0.077265	\$ -	0.151141
August	CCL	0.003437	0.003318	0.000119	231	0.027489			
	MKT	0.000634	0.000708	-0.000074	231	(0.017094)	\$ 0.151141	\$ -	0.161536
September	CCL	0.003530	0.003412	0.000118	1,878	0.221604			
	MKT	0.000634	0.000708	-0.000074	1,878	(0.138972)	\$ 0.161536	\$ 0.000452	0.244620
October	CCL	0.003548	0.003429	0.000119	360	0.042840			
	MKT	0.000634	0.000708	-0.000074	360	(0.026640)	\$ 0.244620	\$ -	0.260820
October	CCL	0.003530	0.003412	0.000118	731	0.086258			
	MKT	0.000634	0.000708	-0.000074	731	(0.054094)	\$ 0.260820	\$ 0.000979	0.293963
November	CCL	0.003548	0.003429	0.000119	1,705	0.202895			
	MKT	0.000634	0.000708	-0.000074	1,705	(0.126170)	\$ 0.293963	\$ 0.001437	0.372125
December	CCL	0.003548	0.003429	0.000119	1,027	0.122213			
	MKT	0.000634	0.000708	-0.000074	1,027	(0.075998)	\$ 0.372125	\$ 0.001786	0.420126
January	CCL	0.003548	0.003429	0.000119	1	0.000119			
	MKT	0.000634	0.000708	-0.000074	1	(0.000074)	\$ 0.420126	\$ 0.002260	0.422431
February	CCL	0.003548	0.003429	0.000119	1	0.000119			
	MKT	0.000634	0.000708	-0.000074	1	(0.000074)	\$ 0.422431	\$ 0.002306	0.424782
March	CCL	0.003548	0.003429	0.000119	-	-			
	MKT	0.000634	0.000708	-0.000074	-	-	\$ 0.424782	\$ 0.002568	0.427350
Totals						\$ 0.42		\$ 0.01	\$ 0.43

Carrier ACNA

Example XXX

Carrier CIC

Example 9999999

* Transmittal 720

** Interest payment based on IRS overpayment rate for July 1, 1998 - December 31, 1998 (7% compounded daily)